

SA retirement village information for residents and prospective residents

Moving into a retirement village – before moving in

If you are considering retirement village living, you need to think about what type of village you want to live in and seriously consider what you can afford on a continuing basis. In South Australia, retirement villages are most commonly owned and/or operated by private developers or non-government/charitable organisations.

Once you have decided on a village that you want to live in, you will be provided with a disclosure statement, residence contract and a number of other documents required under legislation. The residence contract sets out your rights and obligations and ultimately governs the relationship between you and the operator of the retirement village. The disclosure statement provides a summary of important information contained in your residence contract including fees and charges for which you will be responsible.

You should be aware that you do not own the residence in which you live, but rather have a lease or licence which gives you the right to occupy that residence. In some instances, you may have a proprietary interest in the residence (e.g. a community title). You may not be able to transfer your interest in the residence and you may not be able to borrow money against the property.

You will also not usually be able to allow others to stay in your residence while you are away travelling or otherwise absent from the village.

If you need to sell your current home before moving into a retirement village, it is wise to ensure any contract you enter into is subject to conditions that meet your sale needs. If you do not receive the amount that you need or are expecting from the sale of your home, then your financial position can be seriously compromised.

Shared equity deals may be offered by some villages. This generally occurs when the organisation allows a resident to pay less to enter the village but will recoup this amount when the resident leaves. It is important that prospective residents are aware of the consequences of such equity deals and the possible financial impact when they leave the village.

Making a move under uncertain financial conditions can create additional pressure and stress and diminish the positives about moving into a new environment. You also need to consider what else you may need or want to purchase in the near or long-term future (e.g. new car, holiday, new furnishings, air conditioning/heating, appliances etc).



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It is very important that you fully understand what you are agreeing to and what the legal and financial implications are for entering, living in and leaving a village, and the implications for any spouse or partner you may have. It is important to remember that, like any financial transaction the buyer beware principle applies. The value of doing your homework and seeking legal and financial advice before you enter into a contract cannot be over-emphasised.

As part of the moving in process, you will be presented with several documents. These can be lengthy and quite daunting. Nonetheless, it is critical that you read and understand these documents. The residence contract will be a legally binding document for both you and the operator.

Many people consider moving into a retirement village as their last residential move and do not concern themselves about leaving the village. However, you may want or need to leave for a number of reasons. Consider, for example, what you might want to do if family members move interstate and you want to be closer to them or you need a higher level of care. You will also need to consider what will happen to your spouse or partner should you cease to reside in the village.

Rights and responsibilities

The *Retirement Villages Act 2016* (the Act) and *Retirement Villages Regulations 2017* (the Regulations) describe the rights and statutory obligations of retirement village operators and residents. The Act and Regulations can be purchased from:

Service SA Government Legislation Outlet

EDS Centre, 108 North Terrace, Adelaide, SA 5000, Telephone: **13 23 24**
There is an online shop at www.service.sa.gov.au or South Australian Acts and Regulations can also be accessed free of charge at www.legislation.sa.gov.au

Disclaimer: In developing this information sheet, every effort has been made to ensure that the information reflects the intent of the legislation and/or represents examples of best known practice. The information contained in these resources does not constitute legal advice. The Office for the Ageing recommends that you seek your own legal advice should you require interpretation of the legislation.

For more information

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